

Message Text

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PAGE 01 GENEVA 10086 031854Z
ACTION STR-07

INFO OCT-01 EA-10 IO-13 ISO-00 STRE-00 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05
SS-15 ITC-01 TRSE-00 ICA-11 SP-02 SOE-02 OMB-01
DOE-15 AF-10 ARA-10 EUR-12 NEA-10 OIC-02 JUSE-00
AGR-01 /169 W

-----012603 031857Z /44

P 031837Z JUL 78
FM USMISSION GENEVA
TO SECSTATE WASHDC PRIORITY 1619
AMEMBASSY TOKYO

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USMTN
ACTION STR PASS ELECTRICALLY
STR PASS CODEL

E.O.11652:N/A
TAGS: MTN, ETRD, JA
SUBJECT: U.S.-JAPAN TARIFFS BILATERAL JUNE 30

REF: STATE 164714

1. SUMMARY. U.S.-JAPAN INDUSTRIAL TARIFFS BILATERAL
JUNE 30 FOCUSED ON POSSIBLE AIRCRAFT DECLARATION AND
JAPANESE PRIORITY REQUESTS FOR IMPROVEMENTS IN U.S. OFFER.
JAPANESE DEL PRESENTED TWO LISTS OF REQUESTS FOR IMPROVE-
MENTS AND EMPHASIZED THE NEED FOR MUTUAL IMPROVEMENTS.
END SUMMARY.

2. AIRCRAFT. DRAWING ON REFTTEL, MTN DEL (MCNAMARA,
MOORE, WHITE, CASSIDY) OUTLINED U.S. THINKING ON POS-
SIBLE AIRCRAFT DECLARATION IN MTN. JAPANESE DEL (ENDO,
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INABA, KAWAMURA) WAS INFORMED OF EC AND CANADIAN WILLING-
NESS TO GO TO ZERO ON AIRCRAFT AND PARTS. U.S. DEL GAVE
JAPANESE DEL U.S. PAPER DEFINING U.S. AND JAPANESE
TARIFF ITEMS IN AIRCRAFT SECTOR WHICH POINTS UP DISPARITIES
IN JAPAN'S OFFER. JAPANESE DEL RESPONDED THAT JAPAN
ALREADY HAD TAKEN A BIG STEP BY MAKING A FORMULA OFFER IN
AIRCRAFT SECTOR AFTER INITIAL EXCLUSION AND INDICATED

SERIOUS DIFFICULTY IN MAKING FURTHER OFFERS. JAPANESE EMPHASIZED SINE QUA NON CONDITION TO JAPAN'S PRESENT OFFER THAT ITS CURRENT DOMESTIC LAWS AND REGULATIONS ON SUCH ITEMS AS AIRCRAFT BE MAINTAINED AND SAID IF U.S. DOESN'T ACCEPT CONDITION, JAPAN WOULD AUTOMATICALLY WITHDRAW ITS PRESENT OFFER. U.S. DEL STATED THAT, BASED ON LIMITED INFORMATION AVAILABLE TO USG ON CURRENT JAPANESE LAWS AND REGULATIONS, JAPANESE CONDITION WAS UNACCEPTABLE. INABA (MITI TARIFFS DIVISION) INDICATED HIS AGENCY HAD NOT BEEN CONTACTED IN U.S. EMBASSY REVIEW OF JAPANESE LAWS AND REGULATIONS. (COMMENT FOR EMBASSY TOKYO: WHETHER OR NOT MITI WAS CONSULTED IN DEVELOPING RESPONSE TO GENEVA 8959, PLEASE MAKE AT LEAST PERFUNCTORY CALL ASAP ON UDAGAWA OF TARIFF DIVISION, MITI, WHO HAS BEEN DESIGNATED BY GOJ AS CENTRAL CONTACT POINT FOR THIS QUESTION.)

3. JAPAN'S PRIORITY REQUESTS. IN PRESENTING U.S. DEL WITH LIST OF 97 TSUS ITEMS OF PRIORITY INTEREST, JAPANESE DEL REITERATED POSITION THAT IMPROVEMENT EXERCISE MUST BE RECIPROCAL. JAPANESE DEL THEN INDICATED 68 ITEMS (OF THE 97) OF EVEN HIGHER PRIORITY. (LIST WITH HIGHER PRIORITY ITEMS NOTED BEING HANDCARRIED TO WASHINGTON BY JOEL SPIRO TO ANN HUGHES.) PRIORITY LIST ENCOMPASSED SUCH TRADITIONALLY SENSITIVE ITEMS AS WOOL TEXTILES, APPAREL, DYES AND COLORS, CERAMIC TABLEWARE, BEARINGS AND MUSICAL INSTRUMENTS. IN COMMENTING ON JAPANESE LIST, U.S. DEL LIMITED OFFICIAL USE

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MADE STRONG STATEMENT CONCERNING SENSITIVITY OF TEXTILES AND APPAREL INDUSTRY AND PRESSURE ON USG TO EXCLUDE THESE PRODUCTS COMPLETELY FROM MTN. DEL STRESSED HEROIC EFFORT MADE TO TABLE CURRENT U.S. OFFER AND EXPRESSED DOUBTS ON U.S. ABILITY TO EVEN MAINTAIN IT. KNOWN SENSITIVITY OF OTHER ITEMS ALSO OUTLINED. IN LENGTHY DISCUSSION OF TRUCKS, JAPANESE COMMENTED THAT U.S. SHOULD SEEK SOLUTION TO CHICKEN WAR PROBLEM WITH EC WITHOUT LINK TO U.S. TRUCK TARIFF.

4. JAPANESE REQUESTS FOR IMPROVEMENTS IN U.S. REVISED OFFER. JAPANESE DEL ALSO PRESENTED LIST OF REQUESTED IMPROVEMENTS IN U.S. REVISED OFFER AND STRESSED THAT U.S. SHOULD ELIMINATE ASP AND FINAL LIST WITHOUT CONDITIONS. JAPANESE DEL EXPRESSED CONCERN OVER CONVERTED RATES, NOTING THAT ON 33 ASP ITEMS THE OFFER RATE IS HIGHER THAN THE PRESENT NOMINAL RATE. HE SUGGESTED THAT CONVERSIONS MAY INVOLVE PROCEDURES OF ARTICLE XXVIII. SIMILARLY ON THE FINAL LIST ITEMS, SEVERAL OFFER RATES EXCEED PRESENT NOMINAL RATES. JAPANESE DEL REQUESTED U.S. TO SUPPLY DATA AND METHODOLOGY USED TO CONSTRUCT CONVERTED RATES. RUBBER FOOTWEAR OFFER REQUESTED AS SOON

AS POSSIBLE. ON CERAMICS, JAPANESE DEL AGAIN REQUESTED U.S. METHODOLOGY AND DATA. CONCERN WAS EXPRESSED THAT IN GROUPING EXISTING TSUS INTO NEW CLASSIFICATION SYSTEM A HIGHER BASE RATE MIGHT RESULT FOR SOME ITEMS. JAPANESE DEL URGED THAT NEW RATE SHOULD BE LOWEST OF EXISTING RATES OR BE BASED ON THE TRADE-WEIGHTED AVERAGE. U.S. DEL PROMISED TO PROVIDE JAPANESE WITH REQUESTED DATA, ETC., AS SOON AS POSSIBLE AND NOTED U.S. SCHEDULE OF GATT CONCESSIONS SINCE 1947 PERMITTED U.S. TO UNILATERALLY CONVERT ASP ITEMS IF ASP WERE TO BE ELIMINATED.

5. DRAFTED BY WHITE. MCDONALD

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Message Attributes

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Draft Date: 03 jul 1978
Decaption Date: 01 jan 1960
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Disposition Approved on Date:
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Litigation History:
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Review Exemptions: n/a
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